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C O N F I D E N T I A L SEOUL 001771

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E.O. 12958: DECL: 10 YEARS AFTER KOREAN REUNIFICATION  
TAGS: [PGOV](#) [PREL](#) [PINR](#) [PHUM](#) [MNUC](#) [SOCI](#) [ECON](#) [KN](#) [KS](#) [CH](#)  
SUBJECT: SEVERE FOOD SHORTAGES WON'T COLLAPSE DPRK, SAYS  
PROMINENT NORTH KOREAN DEFECTOR

Classified By: POL M/C James L. Wayman. Reasons 1.4 (b/d).

Summary

1. (C) During a November 2 meeting with poloffs, prominent North Korean defector Cho Myung-cheol emphasized that the DPRK's poor harvest and severe food shortages are "nothing new." The major difference between now and the famine of the late 1990s, said Cho, is that non-elite North Koreans have taken charge of getting their own food via unofficial markets; in the 1990s, many ordinary North Koreans "sat around waiting for the government to save them and died of starvation." Cho acknowledged that the recent increase in black market activity throughout the DPRK could be read as a sign of particularly tough, but not unprecedented, times in the North. Downplaying reports of growing dissatisfaction with the Kim Jong-il regime among the North Korean populace, Cho asserted that non-elites don't have the "luxury" of thinking about politics; their focus, he stressed, was on the daily need to "put the food on the table." End Summary.

Old Problem: Grain Shortage

2. (C) During a November 2 meeting with poloffs, Korea Institute for International Economic Policy Senior Research Fellow Cho Myung-cheol characterized the current food situation in North Korea as "not significantly worse" than in previous years. According to Cho's research, the DPRK harvested approximately 4.2 million metric tons (MMT) of grain in 2008; the 2009 harvest would be about 3.8 MMT, a shortfall of some 400,000 MMT. A gap of that size was "nothing new," Cho claimed.

New Solution: Markets

3. (C) What was new, however, was the people's initiative to participate in black market activities to "take care of themselves," according to Cho. North Koreans who survived the famine of the late 1990s learned that "if you wait to be rescued by the authorities, you'll starve to death." Motivated by memories of the famine, Cho explained, non-elites have found creative ways to get their own food -- primarily via unofficial markets.

Black Market A-B-C

4. (C) "Just about everyone" in North Korea now buys and/or sells things in black markets, Cho said, including government officials and urban workers. People go to their work units for the morning roll call and then head off to the nearest market to "earn real income." The system is sustainable, Cho

argued, because even work unit supervisors and security force officers earn income at the markets -- though often in the form of bribes. At a typical market, Cho said, approximately 85 percent of the goods come from China; the balance, he claimed, were generally goods stolen from factories, government offices and/or people's homes.

#### No Time for Politics

15. (C) Cho acknowledged that there was growing dissatisfaction with the Kim regime among ordinary North Koreans but dismissed the possibility of an organized, East European-style uprising for two primary reasons: fear and hunger. Cho emphasized that, though weakened and corrupt, the DPRK security apparatus was still capable of inflicting fearsome punishment on those caught doing something viewed as anti-regime. Moreover, the authorities still punished not only the wrongdoer, but his or her extended family (and sometimes friends) as well. While medieval, this collective punishment kept a "tight and effective lid" on regime opposition. Second, Cho stressed that the average non-elite North Korean does not have the "luxury" of thinking about politics. Instead, he/she has to "worry about putting food on the table for the next meal."

#### Please Flood the Markets with Food and Clothing

16. (SBU) Cho closed by calling for the ROKG and USG to flood North Korea with donated clothing and food aid -- items not restricted by UN sanctions. The clothes and food would find their way into the black markets and drive down prices.

This, he argued, would have two positive effects: it would improve the lives of ordinary North Koreans and undercut unscrupulous Chinese merchants who were, in Cho's view, exploiting the misery of the North Korean people.

#### Bio Note

17. (SBU) Cho is a former member of the North Korean elite. As the son of a Minister of Construction father and economics professor mother, Cho attended special schools from kindergarten through university. Cho majored in economics at Kim Il-sung University and spent three years in China as an exchange professor; he defected to South Korea in the 1990s. Cho is an in-demand interlocutor for diplomats and journalists here, respected for his insights on all things North Korea-related. He travels frequently to the PRC-DPRK border area, Japan, Europe, and Southeast Asia.

STEPHENS